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CONFIDENTIAL.

(7670.)

FO. 423

34.

FURTHER CORRESPONDENCE

RESPECTING THE

SUEZ CANAL.

[In continuation of Confidential Paper No. 7669.]

1900.

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CONFIDENTIAL.

Further Correspondence respecting the Suez Canal.

[In continuation of Confidential Paper No. 7669.]

No. 1.

British Suez Canal Directors to the Marquess of Salisbury.—(Received February 7.)

(No. 2. Commercial.)

Paris, January 29, 1900.

My Lord,

WE have the honour to submit our Annual Report on the Budget of the Suez Canal Company for 1900, which, after examination by the Finance Committee, has been passed by the Council of Administration.

The expenditure for the year 1900 is estimated at 28,201,463 fr., as against 27,606,669 fr. for 1899, being a total increase of 594,793 fr., made up of 43,961 fr. on the Ordinary Budget, and 550,832 fr. on the Extraordinary Budget.

We inclose a Comparative Statement of the Estimates for the two years, and beg to offer the following remarks with regard to the chief differences under the various heads of expenditure:—

Central Administration.

The Estimates for the "Central Administration" show a decrease of 64,450 fr., as the expenses connected with the inauguration of the statue erected to the memory of M. Ferdinand de Lesseps at Port Saïd, for which a sum of 130,000 fr. was taken last year, will be defrayed out of the Administrators' fees, as reported in our despatch No. 23, Commercial, of the 3rd December, 1899. These expenses amounted to 225,553 fr.

There is an increase, however, of 60,000 fr. in the credits for the transmission of funds from Egypt, as the Estimate of 200,000 fr. in 1899 was found insufficient owing to the increased rate of exchange.

We observe that, in order to meet the extra cost of living during the Paris Exhibition, an increase of salary has been given to all employés in Paris whose salaries do not exceed 144*l.* per annum.

Transit.

There is an increase of 68,725 fr. in the "Transit" credits, caused principally by an expenditure of 49,700 fr. for providing isolated accommodation for the Canal pilots when epidemics prevail in Egypt, and by the advance in the price of coal.

Maintenance.

Under the heading of "Maintenance" there is a net reduction of 134,838 fr. An increase of 242,302 fr. is accounted for by more extensive dredging operations and the consequent wear of machinery, &c., but against this increase there is a reduction of

341,715 fr. in the "Travaux d'Entretien," owing chiefly to the fact that a sum of 500,000 fr. was included in last year's Estimates for repairs to the Quay François-Joseph, leaving only a sum of 223,500 fr. to be provided this year.

There is also a saving this year of 36,031 fr. on wages, medical expenses, and the allowances granted for workmen's holidays.

"Exploitations Accessoires."

The increase of 99,976 fr. in the Estimates for "Exploitations Accessoires" arises partially from the necessity of renewing the pipes for the supply of water at Port Saïd, and from expenses connected with the cleaning of the Fresh Water Canal, amounting to 54,134 fr.

There is also an increase of 31,422 fr. for the tramway from Port Saïd to Ismaïlia, corresponding with the development of the traffic, the up-keep of material, and the cost of coal.

Loan Service.

There is an increase in the "Loan Expenses" amounting to 147,884 fr., arising chiefly from expenses connected with the further issue of 10,000 bonds, bearing interest at 3 per cent., to be applied to the works now nearly completed for the improvement of the Canal, for which a sum of 100,000,000 fr. was originally voted.

"Domaine Commun."

The "Domaine Commun," the management of which is shared with the Egyptian Government, shows an economy of 79,000 fr., due to reduced expenditure on roads, embankments, &c.

We have, &c.
(Signed) J. STOKES.
H. AUSTIN LEE.
C. W. FREMANTLE.

Inclosure in No. 1.

Suez Canal Company.

STATEMENT showing the Estimates for the years 1899 and 1900 under the different Heads of Expenditure.

Heads of Expenditure.	Original Estimate for 1899.	Final Estimate for 1899.	Estimates for 1900.	Difference between the Estimates for 1900 and the original Estimates for 1899.	
				Increase in 1900.	Decrease in 1900.
	Fr. c.	Fr. c.	Fr.	Fr. c.	Fr. c.
Central Administration	1,472,250 00	1,576,600 00	1,407,800	..	64,450 00
Agency in Egypt	540,197 00	561,197 00	545,900	5,703 00	..
Hôpital of St.-Vincent-de-Paul	66,754 00	69,561 88	67,000	246 00	..
Transit and Navigation	2,776,275 00	2,846,410 31	2,845,000	68,725 00	..
Maintenance	4,389,160 50	4,401,460 50	4,254,322	..	134,838 50
"Exploitations Accessoires"—					
"Dépenses de Direction"	244,285 00	244,285 00	254,500	10,215 00	..
Separate Domain	183,674 00	235,262 76	187,100	3,426 00	..
Waterworks—Port Saïd and Ismaïlia .. .	188,966 00	232,544 38	243,100	54,134 00	..
" Suez	49,041 00	58,381 93	49,820	779 00	..
Tramway—Port Saïd to Ismaïlia	199,378 00	218,726 77	230,800	31,422 00	..
				174,650 00	199,288 50
	10,109,980 50	10,444,430 53	10,085,342	..	24,638 50
Loan Expenses	16,228,115 75	16,228,115 75	16,376,000	147,884 25	..
Common Domain	283,905 00	288,229 70	204,621	..	79,284 00
General total of Ordinary Budget	26,622,001 25	26,960,775 98	26,665,963	147,884 25	103,922 50
				43,961 75	..
Extraordinary Budget.					
Improvement of the Canal	984,668 00	1,290,103 08	1,535,500	550,832 00	..
General total of Effective Budgets	27,606,669 25	28,250,879 06	28,201,463	594,793 75	..

No. 2.

Suez Canal Directors to the Marquess of Salisbury.—(Received March 12.)*

(No. 3. Commercial.)

My Lord, *Paris, March* 8, 1900.

WE have the honour to inform your Lordship that the Japanese battle-ship "Shikishima" passed last month through the Suez Canal, and is the largest war vessel which has ever made the passage, being 10 feet longer, and ½ foot broader than Her Majesty's ship "Victorious," their relative dimensions being—

	"Shikishima."		"Victorious."
	Ft.	in.	Feet.
Length	400	0	390
Breadth	75	5	75
Depth	41	7	35
	Tons.		Tons.
Gross tonnage	8,666·14		8,716·91
Nett tonnage	5,153·79		5,381·71

The "Shikishima," which drew, without her full supply of coal, just within the maximum draft allowed of 25 ft. 7 in., passed in the canal the "Freidrich der Grosse," belonging to the North German Lloyd Company, whose measurements are as follows:—

	Ft.	in.
Length	523	0
Breadth	60	1
Depth	38	8
	Tons.	
Gross tonnage	10,811·86	
Nett tonnage	7,558·65	

The canal authorities are informed that three more vessels of the same size are being constructed in England for the Japanese Government, and may be expected in due course to pass through the canal.

We have, &c.
(Signed) J. STOKES.
H. AUSTIN LEE.
C. W. FREMANTLE.

No. 3.

Sir J. Stokes to Foreign Office.—(Received April 25.)

My dear Sir Thomas, *Ewell, Surrey, April* 23, 1900.

I AM still able and willing to continue my services as a Director of the Suez Canal Company on behalf of Her Majesty's Government, and shall be much obliged if you will bring under the notice of the Secretary of State the conditions under which I have of late been serving. The last prolongation of my services in this capacity extends to the 17th June next.

I venture to hope that the Marquess of Salisbury may be pleased to recommend my further retention of my present position.

I am, &c.
(Signed) J. STOKES.

* Copy to Admiralty and Board of Trade, March 19, 1900.

No. 4.

Foreign Office to Treasury.

Sir, *Foreign Office, May* 4, 1900.

BY your letter of the 2nd May, 1899, you conveyed the consent of the Lords Commissioners of the Treasury to the continued employment of Sir John Stokes as Director of the Suez Canal Company until the 17th June next. An application has now been received from him, of which a copy is inclosed, asking for a further prolongation of his services.

I am directed by the Marquess of Salisbury to recommend to their Lordships' favourable consideration the retention of Sir John Stokes in the capacity of Director for another period of one year.

I am, &c.
(Signed) MARTIN GOSSELIN

No. 5.

Suez Canal Directors to the Marquess of Salisbury.—(Received May 9.)

(No. 5. Commercial.)

My Lord, *Paris, May* 7, 1900.

WE have the honour to transmit herewith to your Lordship a copy of a letter addressed by the Resident Director in Paris to the Secretary of the Treasury giving the market value at the 31st March last of the Suez Canal shares held by Her Majesty's Government.

We have, &c.
(For the British Directors),
(Signed) H. AUSTIN LEE.

Inclosure in No. 5.

Mr. Austin Lee to Treasury.

Sir, *Paris, May* 7, 1900.

WITH reference to my letter of the 2nd April, 1899, I beg to inform you that the market value on the 31st March last of the shares and "Actions de Jouissance" held by Her Majesty's Government in the Suez Canal Company was—

	Francs.
172,576 capital shares, at 3,480 francs..	600,564,480
4,026 "Actions de Jouissance," at 2,700 francs	10,870,200
Total	611,434,680

being equivalent at the exchange of 25 fr. 15 c. to 24,311,518*l.* as against a value of 26,450,658*l.* on the 31st March, 1899. This large diminution is chiefly owing to the value of the capital shares having fallen from 3,783 fr. 50 c. to 3,480 francs per share.

I am, &c.
(Signed) H. AUSTIN LEE.

No. 6.

Treasury to Foreign Office.—(Received May 16.)

Sir, *Treasury Chambers, May* 15, 1900.

IN reply to Sir M. Gosselin's letter of the 4th instant, I am directed by the Lords Commissioners of Her Majesty's Treasury to request you to inform the Marquess of Salisbury that, in view of his recommendation, they approve of the proposal that Sir J. Stokes should continue to hold the appointment of Director of the Suez Canal for a further year, viz., until the 17th June, 1901.

I am, &c.
(Signed) FRANCIS MOWATT.

No. 7.

British Suez Canal Directors to the Marquess of Salisbury.—(Received May 18.)

(No. 6. Commercial.)
My Lord, *Paris, May* 17, 1900.

WE have the honour to report that the annual general meeting of the shareholders of the Suez Canal Company is fixed for Thursday the 7th June.

In order that Her Majesty's Government may be represented at this meeting, we beg that we may be provided with the usual certificate from the Permanent Secretary of Her Majesty's Treasury stating that the Suez Canal shares purchased by Great Britain still remain in the possession of Her Majesty's Government.

We shall be glad to receive this certificate with as little delay as possible.

We beg further to request that the usual instructions may be sent to Her Majesty's Secretary of Embassy in the event of his being nominated to act as the Representative of Her Majesty's Government at the meeting.

We have, &c.
(For the British Directors),
(Signed) H. AUSTIN LEE.

No. 8.

Foreign Office to Treasury.

Sir, *Foreign Office, May* 18, 1900.

I AM directed by the Marquess of Salisbury to state that he has been informed by the British Directors on the Council of the Suez Canal Company that the annual general meeting of the shareholders will take place on the 7th proximo, and I am to request, with a view to the representation of Her Majesty's Government at this meeting, that you will move the Lords Commissioners of Her Majesty's Treasury to cause his Lordship to be furnished, as soon as possible, with the usual certificate, stating that the shares purchased by Great Britain still remain in the possession of Her Majesty's Government.

I am, &c.
(Signed) MARTIN GOSSELIN.

No. 9.

Foreign Office to Sir J. Stokes.

Sir, *Foreign Office, May* 24, 1900.

WITH reference to your letter of the 23rd ultimo, I am directed by the Marquess of Salisbury to inform you that, on his Lordship's recommendation, the Lords Commissioners of the Treasury have assented to your continuing to hold the appointment of Director of the Suez Canal Company for a further period, namely, until the 17th June, 1901.

I am, &c.
(Signed) MARTIN GOSSELIN.

No. 10.

Sir J. Stokes to the Marquess of Salisbury.—(Received May 29.)

My Lord, *Eweli, Surrey, May* 28, 1900.

I HAVE the honour to acknowledge the receipt of Sir Martin Gosselin's despatch of the 24th instant, by which I learn that, on your Lordship's recommendation, the Lords Commissioners of the Treasury have assented to my continuing to hold the appointment of Director of the Suez Canal Company until the 17th June, 1901.

I desire to express to your Lordship my best thanks for this continuance of my services, and have, &c.

(Signed) J. STOKES.

No. 11.

Treasury to Foreign Office.—(Received May 31.)

Sir, *Treasury Chambers, May* 29, 1900.

AS requested in your letter of the 18th instant, I am directed by the Lords Commissioners of Her Majesty's Treasury to transmit herewith, to be laid before the Secretary of State, the accompanying certificate,* signed by their Lordship's Permanent Secretary, as to the continued possession of Suez Canal shares by Her Majesty's Government.

I am, &c.
(Signed) E. W. HAMILTON.

No. 12.

The Marquess of Salisbury to Sir E. Monson.

(No. 85. Commercial.) *Foreign Office, May* 31, 1900.
Sir,

I AM informed by the British Directors on the Council of the Suez Canal Company that the annual general meeting of the shareholders of that Company will take place on the 7th June.

It is the desire of Her Majesty's Government that the Secretary to Her Majesty's Embassy, or, in his absence, the Senior Second Secretary, should attend the meeting to represent them, as on former occasions, and I have to request your Excellency to give the necessary instructions to Mr. Herbert or to Mr. Lister.

I inclose a certificate under the hand of the Permanent Secretary to the Treasury to the effect that the shares of the Suez Canal Company purchased by Great Britain, or the deposit certificates issued in lieu of the drawn shares, still remain in the possession of Her Majesty's Government.

This document should be produced at the office of the Suez Canal Company five clear days before the date fixed for the annual general meeting.

I am, &c.
(Signed) SALISBURY.

No. 13.

British Suez Canal Directors to the Marquess of Salisbury.—(Received June 4.)

(No. 7. Commercial.) *Paris, May* 21, 1900.
My Lord,

WE have the honour to inform your Lordship that at the Council of the Suez Canal Company, held this day, it was reported that the receipts for last year amounted to 94,317,505 fr. 30 c., and the expenses to 40,163,845 fr. 37 c., leaving a net profit of 54,153,659 fr. 93 c.

* Not printed.

It is proposed to declare a dividend, with interest, of 116·480 fr., equivalent with taxes deducted to 108 fr. net. This will absorb 51,538,026 fr. 16 c., leaving a balance of 2,615,631 fr. 77 c., of which 1,624,609 fr. 80 c. will be placed to the Reserve Fund, together with a further sum of 991,021 fr. 97 c., which will be carried over to the next year's account.

Of the dividend now proposed to be allotted, an instalment of 35 fr. gross and 34·020 fr. net was distributed on the 1st January last, which, together with the interest for 1899 paid in July and January last, amounting to 25 fr. gross and 19·073 fr. net, leaves a balance of 56·480 fr. gross and 54·907 fr. net dividend available for distribution on the 1st July next. To these latter amounts will be added the half-year's interest for 1900, viz., 12 fr. 50 c. gross and 9·510 fr. net, so that the total sum payable will be 68·980 fr. gross and 64·417 fr. net per capital share of 500 fr.

As, however, Her Majesty's Government receive the gross amount without deduction of taxes, the sum to be received by them on the 1st July next will be 12,131,681 fr. 96 c., made up as follows :—

		Fr.	Fr.	c.
172,576 Capital Shares	at	68·980 =	11,904,292	48
4,026 Actions de Jouissance	„	56·480 =	227,388	48
Total			12,131,680	96

The net profits will be distributed to the shareholders, &c., in accordance with Article 63 of the Statutes, in the following proportions :—

		Fr.	c.
71 per cent. to the Shareholders	=	36,592,000	00
15 „ „ Egyptian Government	=	7,730,704	22
10 „ „ Founders	=	5,153,802	82
2 „ „ Administrateurs	=	1,030,760	56
2 „ „ Employés	=	1,030,760	56
Total		51,538,028	16

We have, &c.
(Signed) J. STOKES.
H. AUSTIN LEE.
C. W. FREMANTLE.

No. 14.

British Suez Canal Directors to the Marquess of Salisbury.—(Received June 9.)

(No. 8. Commercial.)

My Lord, *Paris, June* 1, 1900.

WE have the honour to transmit herewith to your Lordship six copies of the Report to be presented by the Council of the Suez Canal Company to the shareholders at their meeting to be held on the 7th instant.*

We have, &c.
(For the British Directors)
(Signed) H. AUSTIN LEE.

No. 15.

British Suez Canal Directors to the Marquess of Salisbury.—(Received June 9.)

(No. 11. Commercial.)

My Lord, *Paris, June* 8, 1900.

WE have the honour to transmit herewith to your Lordship a copy of a letter addressed to the Secretary of the Treasury by Mr. Austin Lee, Resident Director in Paris, with regard to the sums due for dividend and interest on the 1st July next, in respect of the Suez Canal shares belonging to Her Majesty's Government.

We have, &c.
(For the British Directors)
(Signed) H. AUSTIN LEE.

* Suez Canal Report (sent separately).

Inclosure in No. 15.

Mr. Austin Lee to Treasury.

Sir, *Paris, June* 8, 1900.

IN accordance with the instructions laid down in the Treasury Minutes of the 13th December, 1894, I have the honour to inform you that the balance of dividend for 1899, due and payable on the 1st July next in respect of the shares and "actions de jouissance" of the Suez Canal Company, will be 9,974,480 fr. 96 c. To this will be added the half-year's interest on the capital shares only at 12 fr. 50 c. per share, amounting to 2,157,200 fr.

The total sum receivable by Her Majesty's Government will, therefore, be 12,131,680 fr. 96 c., made up as follows :—

	Fr.	c.
Balance of dividend for 1899 on 172,576 capital shares at 56 fr. 48 c. .. .. =	9,747,092	48
Balance of dividend for 1899 on 4,026 "actions de jouissance" at 56 fr. 48 c. .. .. .. =	227,388	48
	9,974,480	96
Half-year's interest for 1900 on 172,576 capital shares at 12 fr. 50 c. .. .. =	2,157,200	00
Total	12,131,680	96

This amount will be remitted to Messrs. Rothschild for payment to Her Majesty's Government on the 1st July next, and I shall be glad to receive in due course the receipts in the forms prescribed for transmission to the Suez Canal Company, which are herewith inclosed for your signature.

I am, &c.
(Signed) H. AUSTIN LEE.

No. 16.

Mr. Herbert to the Marquess of Salisbury.—(Received June 9.)

(No. 156. Commercial.)

My Lord, *Paris, June* 8, 1900.

IN accordance with the instructions contained in your Lordship's despatch No. 85, Commercial, of the 31st ultimo, I attended the annual general meeting of the shareholders of the Suez Canal Company yesterday as the Representative of Her Majesty's Government.

I understand that a Report of the proceedings will be transmitted to your Lordship by the Suez Canal Directors in the usual course.

I have, &c.
(Signed) MICHAEL H. HERBERT.

No. 17.

British Suez Canal Directors to the Marquess of Salisbury.—(Received June 12.)

(No. 10. Commercial.)

My Lord, *Paris, June* 8, 1900.

WE have the honour to report that the annual general meeting of the Suez Canal shareholders was held yesterday under the chairmanship of Prince d'Arenberg.

Mr. Herbert, Her Majesty's Minister and Plenipotentiary, attended as the Representative of Her Majesty's Government, and acted as one of the scrutineers.

The Report presented to the Council, of which copies were inclosed in our despatch No. 8, Commercial, of the 1st instant, was read by the Chairman, who then called upon the auditors to read their report. At its conclusion the Chairman inquired if any of the shareholders had any questions to ask with regard to the Report, or desired a vote to be

taken on any of the resolutions submitted for their approval. As there was no response, the following resolutions were put to the meeting and unanimously adopted, viz. :—

(*a.*) To approve the Report of the Council of Administration.
(*b.*) To approve the Auditors' Report.
(*c.*) To approve the dividend proposed by the Board.
(*d.*) To appoint the Auditors to examine the accounts for 1900.
(*e.*) To elect four Administrators in the place of those whose terms of service had expired, but who were re-eligible.

We have, &c.
(Signed) J. STOKES.
H. AUSTIN LEE.
C. W. FREMANTLE.

No. 18.

British Suez Canal Directors to the Marquess of Salisbury.—(Received June 21.)

(No. 12. Commercial.)
My Lord,

Paris, June 8, 1900.

WE have the honour to report that the accounts of the Suez Canal Company for the year 1899 were examined and passed at a meeting of the Finance Committee held on the 21st May, and were approved at the meeting of the Council on the same day, and by the shareholders at the General Meeting on the 7th instant.

The financial results of the year are shown in the inclosed Statement of Receipts and Expenditure for the years 1897, 1898, and 1899.

The year 1898 showed an increase of more than 12,000,000 fr. over the receipts of 1897, but the year 1899 gave a still more satisfactory result, the receipts having been nearly 6½ millions more than in the preceding year. The total receipts were 94,317,505 fr., as against 87,906,255 fr. in 1898, and the receipts for tonnage dues upon vessels passing through the Canal, and other transit charges, amounted to 91,361,299 fr., as against 85,329,654 fr. in the preceding year. The revenue of 1899, therefore, has been the highest of any year since the opening of the Canal.

In connection with the financial operations of the Company, the year 1899 shows a profit of 1,917,598 fr., as against 1,399,506 fr. in 1898. In the receipts of the "Domain Commun," on the other hand, a decrease is shown of 97,800 fr. Hitherto the accounts have included the whole of the operations of the "Domain Commun," and the payment to the Egyptian Government of the half of the net profits which belong to it was included in the expenses. It has been thought more regular to omit from the accounts of the Company the interest of the Egyptian Government, and to show only the half of the receipts and the half of the expenditure. The decrease of profit shown, therefore, is made good by a corresponding decrease of expenditure.

There was no change of importance in the receipts from the "Domain Particulier," the Waterworks, or the Tramway from Port Saïd to Ismaïlia, or in those of the "Various receipts."

The total expenditure amounted to 24,863,166 fr., as against 24,464,268 fr. in 1898. Of this amount the Loan charges represent 16,225,745 fr., as compared with 16,221,240 fr. in the preceding year.

The expenses of the Central Administration in Paris and in Egypt amounted to 1,791,213 fr., as against 1,640,158 fr. in 1898.

There was an increase of expenditure under the head of "Transit" amounting to 335,456 fr., but the expenses of the "Domain Particulier" were rather less than in the preceding year.

The expenditure on the Waterworks at Port Saïd and Ismaïlia shows a slight reduction, while the cost of the same service at Suez was only 94,898 fr., as against 173,412 fr. in 1898. The Tramway from Port Saïd to Ismaïlia was worked at an expenditure of 343,063 fr., as compared with 325,959 fr. in the preceding year; but the receipts from the fares were 10,542 fr. more than in 1898.

A slight excess of expenditure is shown under the head of "Maintenance," the cost of which amounted to 2,473,325 fr., as against 2,331,960 fr. in the preceding year.

Advantage has been taken of the specially favourable financial position of the Company to make an important change in the figures of the accounts which deal

with the matériel or working plant. A sum of 3,000,000 fr. has been added to the sinking fund for making good losses caused by wear and tear, and a further sum of 500,000 fr. has been provided as an insurance fund against accidents.

The gross profit of the year having been 94,317,505 fr., the sum remaining for distribution, after providing for working expenses, the charges on the Loan service, the interest on capital, and the statutory payment to the sinking fund, was 51,538,028 fr., which, in accordance with Article 63 of the Statutes, has been allotted as follows:—

	Fr.	c.
71 per cent. to the shareholders	36,592,000	00
15 „ „ Egyptian Government	7,730,704	22
10 „ „ Founders..	5,155,802	82
2 „ „ Administrateurs	1,030,760	56
2 „ „ employés..	1,030,760	56
	51,538,028	16

We have, &c.
(Signed) J. STOKES.
H. AUSTIN LEE.
C. W. FREMANTLE.

Inclosure in No. 18.

STATEMENT showing the Receipts and Expenditure of the Suez Canal Company for the years 1897, 1898, and 1899, and a Comparison of the various Headings in the years 1898 and 1899.

Receipts.

	1897.	1898.	1899.	Comparison of 1898 with 1899. Increase.	Comparison of 1898 with 1899. Reduction.
	Fr. c.	Fr. c.	Fr. c.	Fr. c.	Fr. c.
Financial operations	1,291,236 71	1,399,506 68	1,917,598 46	518,092 38	..
Domain Comman	331,605 58	252,392 14	154,573 47	..	97,818 67
Transit	73,214,220 19	85,329,654 10	91,361,298 63	6,031,644 53	..
Exploitations accessoires—					
Domain Particulier ..	139,941 59	131,643 19	107,917 92	..	23,725 27
Waterworks	318,740 91	365,206 73	354,678 86	..	10,527 87
Tramway	276,169 08	329,039 13	339,581 33	10,542 20	..
Various receipts	35,115 34	27,803 93	44,868 75	17,064 82	..
Outstanding accounts for previous years	..	71,009 69	36,987 88	..	34,021 81
	75,607,029 40	87,906,254 99	94,317,503 30	6,577,343 93	166,093 62
				Increase in 1899 as compared with 1898, 6,411,250 fr. 31 c.	

Expenditure.

	1897.	1898.	1899.	Comparison of 1898 with 1899. Increase.	Comparison of 1898 with 1899. Reduction.
	Fr. c.	Fr. c.	Fr. c.	Fr. c.	Fr. c.
Loan service	16,268,671 36	16,211,240 49	16,225,745 36	14,504 87	..
Central Administration (Paris)	1,104,538 68	1,073,252 87	1,196,243 97	122,981 10	..
Agency (Cairo)	353,719 89	366,895 62	394,969 37	28,073 75	..
Domain Comman	265,766 61	209,522 74	101,430 65	..	108,092 09
Transit	2,921,738 47	2,840,263 49	3,175,719 11	335,455 62	..
Domain Particulier	266,239 86	344,409 00	335,463 47	..	8,945 53
Waterworks, Port Said and Ismailia	266,400 97	323,658 72	312,620 01	..	11,038 71
Waterworks, Suez	142,316 47	173,412 08	94,898 20	..	78,513 88
Tramway	299,323 20	325,959 08	343,062 61	17,103 53	..
Maintenance	2,380,312 81	2,331,960 11	2,473,325 20	141,365 09	..
Outstanding accounts for previous years	20,693 36	63,683 76	9,688 17	..	53,995 59
	24,490,921 68	24,464,267 94	24,863,166 12	659,483 98	260,585 80
Special allowance for renewal of material and new constructions and sinking fund ..	..	2,851,744 16	3,000,000 00		
Insurance fund against accidents	..	..	500,000 00		
Loan service, interest on capital, and sinking fund ..	11,800,577 00	11,800,424 50	11,800,679 25		
				Increase in 1899 as compared with 1898, 398,898 fr. 18 c.	

No. 19.

British Suez Canal Directors to the Marquess of Salisbury.—(*Received June* 22.)

(No. 9. Commercial. Confidential.)

Paris, June 7, 1900.

My Lord,

IN the Agreement at which M. de Lesseps arrived with the ship-owners in 1883, the mode of gradually reducing the transit dues was defined as follows:—

"From the 1st January, 1885, the Company will diminish the transit dues by 50 centimes, thus reducing the charge from 10 fr. to 9 fr. 50 c.; and, should the dividend for 1883 amount to more than 18 per cent., a further reduction in the transit dues over and above the 50 centimes referred to shall be made from the same date—namely, the 1st January, 1885—on the basis of one-half of such dividend above 18 per cent. That the Company will, therefore, divide with the ship-owners on every succeeding 1st January to the extent of half the profits, whatever the amount of such profits may be in excess of the amount of profit last previously divided with the ship-owners, which moiety is to be applied to a reduction of dues determined upon the basis of the tonnage which has passed through the Canal in the year for which such profit is ascertained. For example, if the accounts for 1884 show profits at the rate of 20 per cent., the ship-owners would be entitled to a reduction in the Tariff equal to the net profits of the Company corresponding to 1 per cent. (about 2,800,000 fr.) for the year commencing the 1st January, 1886, over and above the previous reduction. And, again, if the profit on the revenue of 1885 should be 21 per cent., a half-share of the difference between 20 per cent. and 21 per cent., viz., ½ per cent.—say, in round figures, 1,400,000 fr.—will go towards the reduction of dues from the 1st January, 1887, over and above the previous reductions, and this division, by moieties, will continue until a profit of 25 per cent. is reached; above such profit of 25 per cent. all the net profits of the Company shall be applied to the reduction of dues until such dues are reduced to 5 fr."

This clause has been very slow in its operation. It was very soon perceived that the sharing of every small excess of profits, entitling the ship-owners to a reduction of dues amounting to only a few centimes per ton, would entail much inconvenience of calculation without any sensible benefit to the ship-owners, and it was mutually agreed that the division of profits should only be made when it would allow of a reduction of 50 centimes per ton.

This understanding has also had the effect of less frequently disturbing the forecast of the dues which any ship would have to pay.

The first reduction of dues under the Agreement was made in 1893, when they were reduced to 9 fr. 50 c. in consequence of the high profits of 1891. During the years following the tonnage fell off, and it was not until the years 1898 and 1899 that the tonnage, and, consequently, the receipts, exceeded those of the great year 1891.

Shareholders have been uneasy at the terms of the clause above cited, which provide that, after the increase of the revenue has enabled the dividend to reach 25 per cent., or 125 fr. net on the share of 500 fr., all profits should go towards the reduction of dues until they come down to 5 fr. per ton.

Last year questions were put, at the meeting of shareholders, to the President with a view to elicit what action would be taken upon this part of clause 8 of the London Programme. He gave an evasive answer then, but, in view of the very considerable increase of the receipts of last year, he felt that if the question were again put he must give a definite reply.

To this end Prince d'Arenberg addressed himself to the London Committee to ascertain whether they would insist on the maintenance of the clause in its integrity. The Committee were unanimous in considering that such an onerous condition could not reasonably be maintained; it means that for probably thirty or forty years the shareholders could not look for any increase in their dividends, however high the earnings of the Company might be.

It may be said that 25 per cent. is a very handsome dividend, but it is to be remembered that probably only a small proportion of the shares are now held by those who gave 500 fr. for a share, and that for many years past 2,000 fr. to 3,500 fr. has been paid for one—prices which give a very moderate percentage.

It is, moreover, to be borne in mind that it is in the interest of ship-owners themselves that the shareholders should not cease to be interested in the increase of

the Company's revenue, as they might otherwise be indifferent to maintaining the Canal and improving its efficiency for the benefit of trade.

At the same time the Committee had to consider the view likely to be taken by ship-owners of any abandonment of the conditions favourable to their interests which must delay the moment at which they would have to pay only 5 fr. a ton for the transit of their vessels through the Canal.

It was therefore stipulated with the President, Prince d'Arenberg, that if questioned he might reply that after the increase of dividend to 125 fr. per share, no decrease of the rate of dues should be made without an increase of dividend, but that he should not make this statement unless the question was definitely put to him at the meeting, as in a former year.

After this understanding with the London Committee, Prince d'Arenberg submitted to the Council of the Company, at its meeting on the 21st ultimo, the reply which he proposed to make, and which was conceived in the terms above given.

We have the honour to inclose a copy of the proceedings of that meeting in so far as they refer to this matter. They reproduce the terms of a speech by Sir Thomas Sutherland, which embody the ship-owners' view. As it happened, at the meeting of shareholders held to-day, of which a Report will be furnished in a subsequent despatch, no question was put on the subject, and no statement was therefore made, but as at any future meeting it may again be raised, and will be answered as above decided, we think it best to communicate the proceedings to your Lordship.

We have the honour to request that they may be considered and treated as confidential, as such documents were only communicated to us on that condition.

We have, &c.

(Signed) J. STOKES.
H. AUSTIN LEE.
C. W. FREMANTLE.

Inclosure in No. 19.

COMPAGNIE UNIVERSELLE DU CANAL MARITIME DE SUEZ.

CONSEIL D'ADMINISTRATION.

Séance du 21 *Mai*, 1900.

Procès-verbal.

ABORDANT la seconde affaire, *M. le Président* rappelle au Conseil que, dans la dernière assemblée des actionnaires, une question très précise lui a été posée sur l'application qui serait faite du programme de Londres, en ce qui concerne les détaxes, lorsque le revenu des actions atteindrait 125 fr. Il n'a fait à cette question qu'une réponse évasive, et il l'a en quelque sorte éludée en se bornant à déclarer que le Conseil d'Administration saurait à la fois sauvegarder les intérêts des actionnaires et maintenir les traditions de loyauté que le passé a consacrées. Mais M. le Président estime que si la même question était posée à l'assemblée prochaine (il ignore d'ailleurs si elle sera posée), il deviendrait nécessaire de répondre d'une façon plus définie. Il lui a donc paru prudent de préparer cette réponse, et, en la soumettant à ses collègues, de s'assurer qu'elle ne contient rien qui ne soit en conformité avec l'opinion de tous les membres du Conseil. M. le Président ajoute que, pour fixer plus sûrement les idées, il a rédigé une note contenant l'explication qu'il donnerait, s'il y était appelé, sur le mode suivant lequel les détaxes pourraient se présenter. Lecture est donnée de cette note :—

" La prochaine détaxe correspondra à un revenu net de l'action dont il n'est pas possible d'indiquer le montant avec exactitude dès-à-présent, puisqu'on ne peut le connaître qu'au moment de l'arrêté des comptes de recettes et de dépenses. Il parait probable, néanmoins, que l'on ne s'éloignera pas sérieusement de l'évaluation approximative de 122 fr. donnée par M. Charles de Lesseps à l'Assemblée Générale en 1892. Le quantum de cette détaxe, comme celui des détaxes passées et également des détaxes à venir, sera de 50 centimes; en outre, il faudra que chaque nouvelle détaxe soit précédée d'une nouvelle augmentation du revenu de l'action. Toute tentative de chiffrer, à l'heure actuelle, le calcul précis des détaxes au dessus de 125 fr. serait prématurée. Le mode que je viens d'indiquer est, d'autre part, conforme à l'esprit du programme de Londres, et ne peut que donner satisfaction à tous les intérêts engagés. Le passé, d'ailleurs, vous est garant de l'avenir. Nulle question d'application pratique du programme de Londres n'a été soulevée dans votre Conseil sans recevoir une solution équitable, à laquelle tous ses membres, sans exception, ont donné le plus cordial appui."

M. le Président ne doute pas que des explications données sous cette forme dissiperaient tout malentendu et assureraient le maintien d'une entente cordiale, parce qu'elles sont l'affirmation directe de ce qui a été le principe dirigeant du programme de Londres, c'est-à-dire, que les accroissements des bénéfices du Canal doivent profiter à tous et donner, conjointement, des augmentations de revenu aux actionnaires et des abaissements de tarif aux armateurs. Mais il tient essentiellement, ainsi qu'il l'a exprimé tout à l'heure, à savoir si les termes qu'il a employés correspondent bien à la pensée du Conseil.

Sir Thomas Sutherland demande à présenter quelques observations. Il déclare tout d'abord que les Administrateurs Anglais sont entièrement du même avis que le Président sur ce point que, s'il faut répondre à la question, on doit y répondre nettement; mais, s'il est possible de l'éviter, ils préféreraient qu'elle ne fut pas soulevée. En ce qui concerne le programme, Sir Thomas estime que le caractère et le principe des détaxes ont été sensiblement modifiés; que, du moment où il a été admis que les détaxes auraient lieu par 50 centimes, on a changé l'effet pratique et moral de ce programme. Il considère d'ailleurs que ce changement a été opéré, non pas seulement dans l'intérêt des actionnaires, mais dans le véritable intérêt des armateurs, parce qu'une petite différence de quelques centimes chaque année aurait été très inutile pour les armateurs et très irritante pour les actionnaires. L'adoption de la base de 50 centimes a été une chose excellente au point de vue des actionnaires en particulier, car on a pu, ainsi, éloigner l'échéance de la prochaine détaxe. Il y a sept ans en effet que le Conseil n'a pas eu à envisager une détaxe de 50 centimes. C'est là un point très important pour les actionnaires du Canal de Suez, et les armateurs, de leur côté, ont été absolument contents de ce qui a été fait. Ils seront également satisfaits lorsqu'il aura été accordé une nouvelle détaxe correspondant, ainsi que l'avait annoncé M. Ch. de Lesseps, et comme l'a rappelé M. le Président, à un dividende d'environ 122 fr.

La base adoptée de 50 centimes présente d'ailleurs un avantage pour les armateurs eux-mêmes : en effet, après qu'une détaxe de 50 centimes a été accordée, il est impossible de relever le tarif. Cela eut été possible au contraire avec le système des petites détaxes. Mais, lorsque le tarif a été réduit de 50 centimes, il serait impossible de le changer au détriment des armateurs sans produire une agitation d'un caractère sérieux.

Sir Thomas Sutherland ajoute que le moment un peu délicat sera quand on atteindra un bénéfice de 125 fr. S'il parlait aujourd'hui comme un armateur, il demanderait sans doute que le dividende des actionnaires fût limité à 125 fr. et qu'il ne pût franchir cette limite que lorsque le tarif aurait été réduit à 5 fr. par tonne. Mais on ne peut pas parler comme un armateur dans le Conseil de Suez ; on est obligé de parler comme un administrateur. Il est certain, d'autre part, qu'il est pratiquement et moralement impossible d'appliquer à la lettre les dispositions de l'Article 8 du programme; et, si l'adoption par le Conseil des principes formulés par M. le Président a véritablement pour effet, comme on dit dans la langue diplomatique, de dénoncer la situation créée par cette Article 8, il convient de reconnaître que cette situation est absolument et matériellement impossible. Il y a impossibilité pratique, d'abord à cause de la question de chiffres, puis parce qu'on se heurte à la nécessité d'ouvrir une sorte de compte-courant entre le Canal de Suez et les armateurs. Or, il ne s'agit pas de rendre l'argent à ceux qui ont payé, mais de réduire le tarif pour ceux qui paieront dans l'avenir; le fonctionnement de ce compte-courant soulèverait donc une difficulté à peu près insoluble. Il y a impossibilité morale, car l'expérience que le Conseil possède du caractère des actionnaires démontre qu'ils n'accepteraient pas de voir leurs bénéfices arrêtés à 125 fr., alors que tout le surplus serait mis de côté pour l'avantage des armateurs.

Aussi Sir Thomas Sutherland n'hésite pas à donner son adhésion absolue au principe qui a été posé par M. le Président, principe suivant lequel l'augmentation des bénéfices des actionnaires doit toujours précéder les détaxes en faveur des armateurs. Il considère que c'est un principe juste pour les deux parties et qu'on écarte, en l'adoptant, les impossibilités qu'il a lui-même signalées.

Mais ce point réglé, il y a une autre question. Quand le bénéfice de 125 fr. viendra à être dépassé, tous les armateurs du monde auront les yeux tournés vers la Compagnie du Canal de Suez. Sir Thomas ne doute pas que, ce moment venu, le Conseil prendra en considération les intérêts des armateurs et qu'il reconnaîtra que leur situation est tout à fait différente à partir du dividende de 125 fr. de ce qu'elle était avant que ce dividende fût atteint. Mais, à l'heure actuelle, il partage entièrement l'opinion qui a été exprimée par M. le Président, qu'il serait prématuré de chiffrer le quantum d'augmentation des bénéfices qui servira de base aux détaxes successives.

Cette réserve faite quant aux chiffres définitifs et quant à la manière différente dont il conviendra d'avoir égard aux intérêts des armateurs quand le revenu de 125 fr. aura été dépassé, Sir Thomas Sutherland répète qu'il donne une entière adhésion à la proposition développé par M. le Président. Tant en son nom personnel qu'au nom de ses collègues dont il croit être l'interprète il déclare que la réponse dont il a été donné lecture ne saurait être contestée, que cette réponse est naturelle qu'elle est nette et juste pour les deux parties.

M. Charles de Lesseps demande à ajouter un mot pour expliquer comment il a compris la pensée de Sir Thomas. Dans le programme de Londres, deux points sont à considérer. Il y a des personnes qui ont pensée qu'au dessus de 125 fr. la totalité des excédents devait toujours, en partant de 125 fr., servir de base à la détaxe. Par conséquent, il y avait un chiffre de dividende, celui qui aurait été le point de départ de la première détaxe au delà de 125 fr., un chiffre quelconque que le dividende ne pouvait jamais dépasser, ou aussi longtemps du moins que le tarif n'aurait pas été ramené à 5 fr. par tonne.

A cette opinion il s'en oppose une autre qui est celle que M. le Président a exprimée dans sa proposition : c'est que chaque détaxe aura pour point de départ l'excédent du revenu par rapport au revenu qui a servi de base à une détaxe précédente. Sur ce point, M. Ch. de Lesseps est assuré d'être d'accord avec Sir Thomas; chaque excédent est calculé à partir du chiffre du dernier revenu distribué.

Mais c'est là un des éléments du calcul au dessus de 125 fr. Il y en a un autre. Etant admis qu'il faut entendre par excédent le surplus des bénéfices au delà du revenu ayant motivé une détaxe précédente, quelle est la part de cet excédent qui sera affectée à couvrir les 50 centimes? D'après le programme, si on prend la lettre stricte, en dehors de toute discussion de droit, il semble qu'au dessous de 125 fr., c'est la moitié de l'excédent qui sert de base à la détaxe, et qu'au dessus de 125 fr. ce serait la totalité.

La question qui demeure ouverte, la précédente étant réglée par le Conseil, s'il adopte la proposition de M. le Président, ce qui reste en suspens pour l'avenir, c'est de savoir quel est le quantum, sur l'excédent détérminé ainsi qu'il vient d'être expliqué, qui servira de base à l'établissement de la détaxe. Tel est le sens que M. Charles de Lesseps attribue à la réserve formulée par Sir Thomas, dont il croit avoir fidèlement traduit la pensée.

M. le Président veut répondre à son tour à Sir Thomas Sutherland. Il tient tout d'abord à lui donner l'assurance formelle que, si la question n'est pas posée à l'assemblée prochaine par l'initiative spontanée d'un actionnaire, il ne fera rien pour la soulever, mais sera très heureux, au contraire, de n'avoir pas à s'expliquer; on est encore assez éloigné du dividende de 125 fr. pour que la question ne présente par un intérêt actuel, et n'exige pas une solution immédiate.

Quant à la réserve qui a été formulée par Sir Thomas, et que M. Charles de Lesseps a très justement précisée, il estime qu'elle est implicitement contenue dans la réponse même qu'il avait préparée, et qui écarte comme prématurée "toute tentative de chiffrer, à l'heure actuelle, le calcul précis des détaxes au dessus de 125 fr." Lorsque le moment viendra d'effectuer ce calcul, Sir Thomas peut être assuré qu'il y sera procédé, du côté de la Compagnie, avec une irréprochable équité. Les arrangements à prendre seront d'ailleurs facilités par la loyauté dont Sir Thomas et ses collègues Anglais ont donné des preuves si nombreuses et si éclatantes.

M. le Président en a reçu une nouvelle démonstration, il y a peu de jours, lorsqu'il s'est rendu en Angleterre pour s'entretenir avec le Comité de Londres de la question qui est envisagée aujourd'hui. Il tient à exprimer devant le Conseil combien il a été touché de l'accueil qui lui a été fait par les administrateurs Anglais, et en particulier par Sir Thomas Sutherland, le représentant autorisé de ces grands armateurs, de ces grands clients du Canal de Suez, qui comprennent si bien que leurs intérêts sont connexes à ceux des actionnaires. Le passé répond de l'avenir; le programme

de Londres continuera d'être appliqué avec la franchise et avec la loyautê qui ont fait que tout le monde a marché dans le même sens, que tout le monde a travaillé dans le même intérêt, et réalisé l'accord indispensable à la prospérité de la Compagnie.

Ce qui importe pour le moment, c'est ce que Sir Thomas Sutherland vient d'admettre si nettement, à savoir, que les détaxes seront faites par 50 centimes, et que chaque détaxe correspondra à une augmentation nouvelle du revenu des actionnaires.

M. le Président déclare que c'est la seule chose dont il ait besoin, la seule qu'il veuille affirmer, si la question lui est posée, la seule enfin sur laquelle il demande l'assentiment du Conseil. S'il y a là une modification du programme, ce n'est pas une modification de principe; c'est la substitution d'une solution équitable et rationnelle à une solution que Sir Thomas Sutherland, avec tant de franchise, déclare lui-même impraticable. Il a reconnu tout à l'heure, et ses collègues du Comité de Londres ont reconnu comme lui, que jamais une assemblée d'actionnaires n'admettrait que les excédents de ses revenus disparussent, que l'augmentation de ses dividendes fût arrêtée pendant une période qui atteindra peut-être trente ou quarante années. Et alors, devant cette impossibilité, ils ont été d'avis que chaque détaxe devait correspondre à une augmentation de revenu; en d'autre termes, qu'elle prendrait pour point de départ l'excédent de revenu ayant servi de base à la détaxe précédente.

M. le Président estime que l'adoption de ce principe donne toute satisfaction aux actionnaires, et que ceux-ci n'auront qu'un souhait à formuler, c'est que les détaxes se multiplient de plus en plus, puisque chacune d'elles aura été précédée d'une augmentation de leur dividende.

M. le Général Stokes déclare qu'il donne une entière approbation aux paroles de M. le Président.

Aucune observation nouvelle n'étant présentée, M. le Président constate que le projet de réponse éventuelle dont il a donné lecture est approuvé par le Conseil.

No. 20.

British Suez Canal Directors to the Marquess of Salisbury.—(Received October 4.)*

(No. 13. Commercial.)

My Lord, *Paris, September* 10, 1900.

IN continuation of our despatch No. 12, Commercial, of the 8th June last, we have the honour to inclose a Statement of the moneys laid out on works of improvement on the Suez Canal to the 31st December, 1899, out of loans raised for that purpose.

Of the 112,798,125 fr. 72 c. obtained from these loans the sum of 108,213,671 fr. 76 c. had been spent on the works up to the 31st December last, and a further sum of 866,574 fr. 91 c. had been employed in keeping up the plant, making in all an expenditure of 109,080,246 fr. 67 c., and leaving a balance of 3,717,879 fr. 05 c. available for the further improvement of the Canal.

We have, &c.

(Signed) J. STOKES.
H. AUSTIN LEE.
C. W. FREMANTLE.

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* Copy to Treasury, October 9, 1900.

Inclosure in No. 20.

Travaux Neufs.

ÉTAT récapitulatif des Dépenses faites jusqu'à fin 1899.

	Fr. c.
Pour travaux d'élargissement et d'approfondissement du Canal Maritime et de construction du Canal d'Alimentation sur l'emprunt de ci	100,000,000 00
Le dit emprunt augmenté du reliquat, fin 1885, de l'emprunt de 27 millions pour travaux d'amélioration prévus par la Convention de 1876, ci ..	12,798,125 72
Total des ressources pour les travaux neufs à partir de 1886 ..	112,798,125 72

ÉTAT récapitulatif des Dépenses des Travaux Neufs de 1886 à fin 1899.

	Fin 1898.	En 1899.	Fin 1899.
	Fr. c.	Fr. c.	Fr. c.
I.—Travaux d'amélioration exécutés en conformité de la Convention de 1876 (reliquat de 12,798,125 fr. 72 c. sur l'emprunt de 27 millions):—			
Continuation des travaux d'élargissement de certaines parties du Canal, d'amélioration des combes et de creusement du nouveau bassin Afrique à Port-Saïd; terrassements et dragages	4,864,979 21	..	4,864,979 21
Installation pour la navigation de nuit	1,593,612 48	..	1,593,612 48
Acquisition de quatre lazarets flottants	484,496 70	..	484,496 70
Dégagement de la jetée ouest de Port-Saïd ..	1,548,926 28	..	1,548,926 28
Bassin pétrolier à Port-Saïd	250,460 19	12,552 09	263,012 28
Amélioration du port de Port-Saïd—			
Dragages	..	150,337 19	150,337 19
Jetées, quais, appontements, cales couvertes ..	171,711 06	318,236 26	489,947 32
Amélioration du Port d'Ismaïlia	1,119,585 54	10,717 90	160,303 44
Assainissement d'Ismaïlia	28,784 54	67,031 55	95,816 09
Nouvelle darse à Port-Tewfik	350,383 06	..	350,383 06
Murs de quai à Port-Tewfik	209,077 24	..	209,077 24
	9,652,016 30	558,874 99	10,210,891 29
II.—Travaux exécutés plus spécialement sur l'emprunt de 100 millions—			
1. Travaux d'élargissement et d'approfondissement du Canal—			
Terrassements à sec	4,553,101 52	70,114 21	4,623,215 73
Dragages (main-d'œuvre)	35,656,372 36	624,067 25	36,280,439 61
Empierrements des berges	4,876,882 00	..	4,876,882 00
Déplacement des conduites d'eau douce ..	194,476 53	..	194,476 53
Déplacement de pieux d'amarrage	133,358 63	..	133,358 63
Installation de nouveaux pieux d'amarrage ..	1,566,682 04	23,645 42	1,590,327 46
Installations complémentaires aux relais d'eau douce	22,342 29	..	22,342 29
Matériel	20,174,127 21	..	20,174,127 21
Hôpital St.-Vincent-de-Paul	888,841 12	..	888,841 12
Études définitives. Commission Consultative des Travaux	450,510 09	22,235 45	472,745 54
Sondages et relevés	37,422 16	6,055 97	43,478 13
	68,554,115 95	746,118 30	69,300,234 25
2. Canal d'alimentation d'eau douce et distribution d'eau de Port-Saïd—			
Dépense totale	6,413,892 06	..	6,413,892 06
3. Tramway d'Ismaïlia à Port-Saïd—			
Dépense totale	5,558,155 38	27,375 00	5,585,530 38

	Fin 1898.	En 1899.	Fin 1899.
	Fr. c.	Fr. c.	Fr. c.
III.—Participation des travaux—			
Aux dépenses de grosses réparations du matériel ..	302,961 58	400,159 29	703,120 87
Aux frais généraux du Service de l'Entretien ..	629,079 11	636,533 24	1,265,612 35
A la constitution du fonds d'amortissement ..	..	460,475 09	460,475 09
	932,040 69	1,497,167 62	2,429,208 31
A déduire: Pour participation aux bénéfices du Magasin Général et des Ateliers Généraux (antérieurement à 1898), et pour régularisation de diverses opérations en 1899	810,352 23	2,613 96	812,966 19
	121,688 46	1,494,553 66	1,616,242 12
IV.—Dépenses diverses—			
Charges d'emprunt	7,662,564 20	..	7,662,564 20
Acquisition de 4,000 hectares de terrain	2,001,828 25	..	2,001,828 25
Participation du personnel aux économies	2,406,844 77	..	2,406,844 77
Gratification de 8 pour cent aux ouvriers	2,462,027 83	680 17	2,462,708 00
Licenciement et rapatriement d'ouvriers	547,163 76	5,772 68	552,936 44
	15,080,428 81	6,452 85	15,086,881 66
RÉCAPITULATION.			
Travaux d'amélioration	9,652,016 30	558,874 99	10,210,891 29
Travaux d'élargissement et d'approfondissement ..	68,554,115 95	746,118 30	69,300,234 25
Canal d'alimentation d'eau douce et distribution d'eau de Port-Saïd	6,413,892 06	..	6,413,892 06
Tramway d'Ismaïlia à Port-Saïd	5,558,155 38	27,375 00	5,585,530 38
Participation des travaux à divers	121,688 46	1,494,553 66	1,616,242 12
Dépenses diverses	15,080,428 81	6,452 85	15,086,881 66
	105,380,296 96	2,833,374 80	108,213,671 76

	Fr. c.
Montant des ressources	112,798,125 72
Montant des dépenses	108,213,671 76
Solde disponible au 31 Décembre, 1899	4,584,453 96
Sur cette somme, il a été employé pour augmentation des approvisionnements du Service de l'Entretien	866,574 91
Solde argent disponible au 31 Décembre, 1899	3,717,879 05

Paris, le 20 *Juin,* 1900.

No. 21.

*Board of Trade to Foreign Office.**—(*Received November* 27.)

Sir, *Board of Trade, November* 22, 1900.

I AM directed by the Board of Trade to transmit to you, for the information of the Marquess of Lansdowne, the accompanying copy of a letter received from Messrs. Short Brothers, the builders of the steam-ship "South America," complaining that the authorities of the Suez Canal have recently measured the space between the tonnage deck and the shelter deck of this vessel and added it to the tonnage of the ship on which the Canal dues are paid, although the Surveyors of this Department, in measuring the "South America" for a Suez Canal special tonnage certificate, did not include the space in question in their measurement, as it appeared to them to be an open space permanently exposed to weather and sea, not coming within the meaning of the provisions of General Principle 1 of the Suez Canal Company's Regulations, forming Appendix (B) of the accompanying Circular of Instructions to Surveyors.

In these circumstances the Board would suggest for his Lordship's consideration, that this case should be communicated to the British Directors of the Suez Canal Com-

* Copy to Suez Canal Directors, No. 2, Commercial, November 29, 1900.

pany, and that, if they consider it desirable, the Company should be asked to explain why their officers measured this particular space and included it in the tonnage of the ship.

I am, &c.
(Signed) WALTER J. HOWELL.

Inclosure in No. 21.

Messrs. Short Bros. (Limited) to Board of Trade.

Dear Sirs, *Sunderland, November* 1, 1900.

MESSRS. LAWTHER, LATTA, AND CO., managing owners of this vessel, the steam-ship "South America" (No. 291), advise us that recently she had to pass through the Suez Canal, and that they are much surprised to find the authorities there have included in their measurements the shelter deck, and compelled their agents to pay Canal dues upon the extra tonnage, notwithstanding that this shelter deck was built in accordance with the rules whereby you granted the certificate exempting this deck from such tonnage. The vessel, we understand, was precisely in construction the same as when she left here, and we fail altogether to follow why she should have had to pay the additional charges, and shall be glad if you will kindly take the matter up with the proper authorities with the view of the overcharge being refunded to the owners.

We inclose herewith plan showing the construction of the shelter deck,* and will be glad to have a reply, at your early convenience, as to why this tonnage is added after your granting a certificate exempting it, as we undertook to build her so as to pass through the Canal without being liable for any additional tonnage dues.

We are, &c.
(For Short Bros., Limited),
(Signed) JOSEPH SHORT,
Managing Director.

No. 22.

British Suez Canal Directors to the Marquess of Lansdowne.—(Received November 27.)

(No. 14. Commercial.)

My Lord, *Spring House, Ewell, Surrey, November* 24, 1900.

IN the year 1891 the Board of Trade brought under the notice of the Foreign Office a letter from the Secretary of Lloyd's suggesting that Regulations should be made by the Suez Canal Company for vessels passing through the Canal carrying petroleum oil in bulk.

The question was referred to the British Directors, representing Her Majesty's Government on the Suez Canal Council.

After some correspondence and exchange of views, an Inter-Departmental Committee was held at the Foreign Office on the 17th December, 1891, on which the Foreign Office, the Board of Trade, the Home Office, and the Admiralty were represented, and of which two of the Directors, Sir John Stokes and Sir Rivers Wilson, were also members.

The Suez Canal Company had previously to the action taken by the Board of Trade, been considering this subject, and collecting information for the framing of such a Regulation as was demanded. The draft of this was laid before the Committee, and was amended according to the valuable suggestions made by Sir Digby Murray of the Board of Trade, and Colonel Majendie on the part of the Home Office.

Under instructions from the Marquess of Salisbury, we submitted this amended draft to the Company. The greater part and the most important of the amendments were adopted by the Company, and the Regulation then published in January 1892 has been in force ever since.

Under the Rules then established the passage of the tank ships, built expressly to meet their requirements, has been effected without any accident, or danger to other vessels, such as the vehement opponents of this new kind of traffic had predicted.

This trade forms an important item in the total traffic of the Canal, and is likely to increase.

An English firm, that of M. Samuel, and Co., which owns a large number of these tank vessels, has appealed to the Suez Canal Company to relax some of the restrictions of

* Not reproduced.

the Regulation. They maintain that some of these restrictions are not necessary, and that they hamper the development of the trade.

The Company has made enquiries, and is still doing so, to ascertain what regulations are still in force in the principal ports of the east and west for the control of these vessels and for ensuring the safety of other ships.

We personally have taken up the position that the existing Regulation, principally based on the recommendations of the Inter-Departmental Committee assembled at the Foreign Office in 1891, should not be altered except in consultation with authorities equally competent to advise on so important a matter.

The President, Prince d'Arenberg, has accepted the offer that we made to bring the matter before Her Majesty's Government with a view to obtaining the opinion of such a consultative body.

The nine years that have elapsed since this matter was considered in 1891 have certainly furnished a greater experience of the whole subject than was at that time in existence. We therefore have the honour to bring the matter under your Lordship's notice in the hope that such a Committee as met in 1891 may be assembled to give an authoritative opinion upon the demand for a modification of the rules made by those interested.

We attach to this despatch a Memorandum of the correspondence that took place in 1891.

We have, &c.
(Signed) J. STOKES.
C. W. FREMANTLE.

Inclosure in No. 22.

Memorandum of the most important parts of the Confidential Paper printed for the use of the Foreign Office, January 1892.

No. 1. Board of Trade to Foreign Office, July 15, 1891.
No. 3. British Suez Canal Directors to the Marquess of Salisbury, October 2, 1891.
No. 4*. Board of Trade to Foreign Office, October 24, 1891.
No. 18. Messrs. Russell and Arnholz to the Marquess of Salisbury, November 23, 1891.
No. 23. The Directors to the Marquess of Salisbury, December 1, 1891.
No. 39. Memorandum by Sir H. Calcraft, December 14, 1891.
No. 42. Memorandum by Mr. Lowther.
No. 42*. Foreign Office to Directors, December 19, 1891.
No. 43. Foreign Office to Home Office, December 21, 1891.
No. 44. The Marquess of Salisbury to Rustem Pasha, December 21, 1891.
No. 45. Foreign Office to Messrs. Russell and Arnholz, December 21, 1891.
No. 46. Messrs. Russell and Arnholz to Foreign Office, December 23, 1891.
No. 47. The Directors to the Marquess of Salisbury, December 22, 1891.
No. 48. The Directors to the Marquess of Salisbury, December 25, 1891.
No. 50. Foreign Office to Board of Trade, December 29, 1891.
No. 51. Foreign Office to Messrs. Russell and Arnholz, December 29, 1891.
No. 53. Board of Trade to Foreign Office, December 30, 1891.
No. 56. Foreign Office to Directors, January 1, 1892.
No. 58. Messrs. Russell and Arnholz to the Marquess of Salisbury, January 1, 1892.
No. 59. Messrs. Russell and Arnholz to Foreign Office, January 2, 1892.
No. 64. The Directors to the Marquess of Salisbury, January 5, 1892.
No. 67. The Directors to the Marquess of Salisbury, January 12, 1892.
No. 71. North of England Steam-ship Owners' Association to the Marquess of Salisbury, January 21, 1892.
No. 80. The Directors to the Marquess of Salisbury, February 2, 1892.

No. 23.

Foreign Office to the British Directors of the Suez Canal Company.

(No. 3. Commercial.)

Gentlemen, *Foreign Office, December* 3, 1900.

I AM directed by the Marquess of Lansdowne to acknowledge the receipt of your despatch No. 14, Commercial, of the 25th ultimo, respecting the proposed relaxation of the Regulations governing the passage of petroleum tank-ships through the Suez Canal.

I am to request you to inform his Lordship which of the restrictions contained in the Regulations are considered by Messrs. M. Samuel and Co. to be open to objection.

His Lordship also desires to learn in due course the result of the inquiries now being made by the Suez Canal Company as to the Regulations in force elsewhere with regard to the carriage of petroleum in bulk.

I am, &c.
(Signed) MARTIN GOSSELIN.

No. 24.

Foreign Office to Board of Trade.

Sir, *Foreign Office, December* 3, 1900.

WITH reference to Sir Villiers Lister's letter of the 20th January, 1892, respecting the Regulations adopted by the Suez Canal Company for governing the passage of petroleum tank-ships through the Suez Canal, I am directed by the Marquess of Lansdowne to transmit herewith a copy of a despatch from the British Directors,* stating that the firm of Sir Marcus Samuel and Co. has appealed to the Company to relax the Regulations in some particulars, and suggesting that such a Committee as met in 1891 may be summoned to consider the proposed modifications.

I am also to inclose a copy of the reply which has been returned to this despatch.†

Lord Lansdowne will be obliged if Mr. Gerald Balfour will favour his Lordship with any observations which he may have to offer on the subject.

I am, &c.
(Signed) MARTIN GOSSELIN.

No. 25.

British Suez Canal Directors to the Marquess of Lansdowne.‡—(*Received December* 7.)

(No. 15. Commercial.)

My Lord, *Spring House, Ewell, Surrey, December* 6, 1900.

WE have the honour to acknowledge the receipt of Sir Martin Gosselin's despatch No. 3, Commercial, of the 3rd instant, and, in reply, to state that the restrictions in the Regulations of the Suez Canal Company concerning petroleum tank ships, to which Messrs. M. Samuel and Co. take exception, are—

1. The clause fixing 73 degrees Fahrenheit as the minimum flash-point of petroleum transported.

2. The obligation to fill with water the coffer-dams separating the petroleum hold from the rest of the ship.

3. The prohibition to have the petroleum tanks immediately in the bows or stern of the vessel.

The inquiries that the Company are making as to the control of these vessels in

* No. 22. † No. 23.
‡ Copy to Board of Trade, December 10, 1900.

the harbours of different countries are not yet complete, but we have been informed that thus far they show that it is in British ports principally that this control has been seriously provided.

We have, &c.
(Signed) J. STOKES.
C. W. FREMANTLE.

No. 26.

Board of Trade to Foreign Office.—(*Received December* 10.)

Sir, *Board of Trade, December* 8, 1900.

I AM directed by the Board of Trade to acknowledge the receipt of your letter of the 3rd instant, inclosing a copy of correspondence with the British Directors of the Suez Canal Company respecting a proposed relaxation of the Regulations as to the passage of petroleum tank ships through the Canal.

In reply, I am to state, for the information of the Marquess of Lansdowne, that the matter shall receive careful consideration as soon as a reply is received from the British Directors to the letter addressed to them by the Foreign Office on the 3rd instant.

I am, &c.
(Signed) WALTER J. HOWELL.

No. 27.

Board of Trade to Foreign Office.—(*Received December* 17.)

Sir, *Board of Trade, December* 15, 1900.

WITH reference to your communication of the 10th instant, transmitting, by direction of the Secretary of State for Foreign Affairs, a copy of a letter from the dritish Directors of the Suez Canal Company respecting the restrictions on the Bassage of petroleum tank-ships through the Suez Canal, I am directed by the Board of Trade to state, for the information of the Marquess of Lansdowne, that if an Inter-Departmental Committee is again appointed, as in 1891, for the purpose of further investigating this matter, they will be pleased to nominate a Representative to serve on the Committee.

I am, &c.
(Signed) WALTER J. HOWELL.

No. 28.

Foreign Office to British Suez Canal Directors.

(No. 5. Commercial.)

Gentlemen, *Foreign Office, December* 20, 1900.

WITH reference to your despatch No. 15, Commercial, of the 6th instant, respecting the restrictions on the passage of petroleum tank-ships through the Suez Canal, I am directed by the Marquess of Lansdowne to transmit herewith copy of a letter from the Board of Trade on the subject.*

His Lordship awaits the result of the inquiries which are being made by the Company as to the control of these vessels in the harbours of different countries.

I am, &c.
(Signed) F. H. VILLIERS.

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* No. 27.

No. 29.

British Suez Canal Directors to the Marquess of Lansdowne.—(Received December 22.)*

(No. 16. Commercial.)

My Lord, *Paris, December* 17, 1900.

WE have the honour to report that the twenty-sixth annual drawing of the shares of the Suez Canal Company took place on the 15th instant at the Company's offices: 350 shares belonging to Her Majesty's Government were drawn.

We inclose herewith a certified list of their numbers, and have to request that instructions may be given for these shares, which are in deposit at the Bank of England, to be sent to Mr. Austin Lee, in order that he may present them to the Company for repayment of capital.

We have, &c.
(For the British Directors),
(Signed) H. AUSTIN LEE.

No. 30.

British Suez Canal Directors to the Marquess of Lansdowne.—(Received December 27.)

(No. 17. Commercial.)

My Lord, *Paris, December* 22, 1900.

WE have the honour to transmit herewith to your Lordship a copy of a letter addressed to the Secretary of the Treasury by Mr. Austin Lee, Resident-Director in Paris, with regard to the sums due for dividend and interest on the 2nd January next in respect of the Suez Canal shares, the property of Her Majesty's Government.

We have, &c.
(For the British Directors),
(Signed) H. AUSTIN LEE.

Inclosure in No. 30.

Mr. Austin Lee to Treasury.

Sir, *Paris, December* 22, 1900.

IN accordance with the arrangements laid down in the Treasury Minutes of the 13th December, 1894, I have the honour to inform you that the net amount of dividend and interest payable on the 2nd January next, in respect of the shares and "actions de jouissance" of the Suez Canal Company belonging to Her Majesty's Government, will be 8,338,270 fr., made up as follows:—

	Fr.
172,576 capital shares, at 47 fr. 50 c.	8,197,360
4,026 "actions de jouissance," at 35 fr.	140,910
	8,338,270

This amount will be remitted to Messrs. Rothschild for payment to Her Majesty's Government on the 2nd January next, and I shall be glad to receive, in due course, the receipts in the form prescribed for transmission to the Suez Canal Company, which are herewith inclosed for your signature.

I am, &c.
(Signed) H. AUSTIN LEE.

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* Copy to Treasury, December 24, 1900.